

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

IT&C Dept - IT Promotion – Creation of IT Promotion Advisory Committee in United States of America (USA) for attracting Information Technology (IT) investments to the State of Andhra Pradesh in IT Sector – Orders – Issued.

INFORMATION TECHNOLOGY & COMMUNICATIONS (Promotions) DEPARTMENT

G.O.Ms.No. 26

Dated: 11.07.2012
Read the following:

G.O.Ms.No.9, IT&C Department, dated:07-07-2010 on ICT Policy 2010-2015.

ORDER:

ICT Policy 2010 – 2015 Government of Andhra Pradesh aspires to achieve Software exports of US \$ 70 Billion and generate additional employment of 1,75,000 Software professionals against the current levels of US\$ 8 Billion and 2,45,00 Software professionals respectively. Over 80% of the total software exports are done to USA. To meet the desired objectives, it is proposed to set up an IT Promotion Advisory Committee in the United States of America which shall work as a catalyst in driving investment to the state of Andhra Pradesh.

Background on IT in Andhra Pradesh:

2. Andhra Pradesh offers a vibrant and conducive environment for software, Electronic Hardware and service sectors all over the world. Some of the compelling statistics to show the pre-eminent position of Andhra Pradesh as the ultimate destination for IT, ITES, Hardware etc.

Software:

- Global Software & Service Sector - USD \$1.5 trillion (2011) – 16% of India's GDP
- IT-BPO Sector in India – USD \$88.1 billion (2011)
- IT, IteS , and Services in India (excluding Hardware) – USD \$76.1 billion (2011)
- AP's share of IT, IteS , & BPO – USD \$8.5 billion (2011, CAGR of 35%)
- US is the largest trade partner for AP's software exports at 80% (USD \$6.8 billion)
- Direct employment in AP – 275,000 (2010)
- Indirect employment in AP – 1,000,000 (2010) CAGR – 30%

Electronic Hardware:

- Global Electronics (Hardware) Sector – USD \$1.75 trillion (2011), \$2 trillion (2014)
- Indian Market Demand – USD \$45 billion (2011), \$125 billion (2014)
- Indian Hardware Exports – USD \$4 billion (2011), \$15 billion (2014)
- Expected Indian Consumption rate – CAGR 22% (2009-2020)

With the above background, in order to achieve a greater share of the US IT spending and attract large scale ICT Investment in the State of Andhra Pradesh, the Government of Andhra Pradesh vide the current Government order creates an Andhra Pradesh Information Technology Investment Promotion & Advisory Committee in USA. This would act as a front office for the IT Promotion wing in USA to attract potential investors on the one hand and to bring to the notice of the Govt (IT&C Dept), any issues being faced by the IT Industry in AP with respect to USA and vice-versa.

Salient features of the US Advisory Committee

Objective:

To promote Information Technology & Communication related services, businesses through active investment, infrastructure development, trade & promotional activities by American Companies in Andhra Pradesh and AP based companies in USA.

Modus operandi of the Committee:

- By establishing an Advisory Committee in USA with representatives from various fields in software, hardware and service sector. The objective is to promote investments in ICT/Electronic Hardware Sector to the State of AP.
- The Committee will be headed by An Honorary Chairman and will have three major Honorary Advisors of repute and will be assisted by a set of Honorary Regional Advisors (about 8) representing various major cities in USA with IT focus as well as functional sectors (software, hardware, service).
- Similarly, cell will be formed in IT&C Dept to handle the backend fulfillment of the recommendations of Advisory Committee. It will have similar set of professionals from Industry and Government officials in a smaller group.
- The Chair will have a small secretariat in USA.
- Members of the said Committee will have strong ties to Andhra Pradesh either in a form of domicile of AP or other forms of bond with the state. Members will provide voluntary work for the love and devotion they have for their home state of Andhra Pradesh.
- As the proposed US Advisory Committee is a voluntary organization, it is understood that no special registration in USA would be needed.

Responsibilities of Advisory Committee in USA:

- The Committee will identify the potential investors in IT/ITES/Electronic Hardware Sectors and motivate them to AP for setting up their operations and further it will forward those leads to Govt of AP for taking necessary action.
- The Committee will advise the International Real Estate service providers about the advantage of State of AP and coordinate with them for identifying potential investors.
- The Committee and its Regional Directors will meet every quarter to review the trend in technology, appropriate business opportunities vis-à-vis Andhra Pradesh's needs, identify the companies in various sectors of growth, estimate business potential and generate necessary instructions for the Regional Directors to actively pursue such companies in their respective Regions.
- Quarterly reports will be exchanged between the Committee members in USA and their counterpart in India.

Obligations of the Government of Andhra Pradesh:

- Govt of AP (IT&C Dept) will take into consideration the reviews the trend in IT/ITES /Electronic Hardware Sector, appropriate business opportunities vis-à-vis Andhra Pradesh's needs, identify the companies in various sectors of growth, estimate business potential and generate necessary reports to US Advisory Committee.
- Govt of AP will take the leads from US Advisory Committee and help the US Companies as they start exploring the location for business in AP, and other logistical and cross-cultural assimilation transformations.

::3::

- Every step would be taken by Govt of AP to ensure that the US Companies are made to feel most welcome and are provided a business healthy environment to start and grow their businesses in AP.
- Necessary logistical support would be provided to the US Advisory Committee to conduct necessary travel, business seminar and other incidental charges on a case to case basis as and when necessary from the Promotion budget available with the Department.

The proposed terms of reference of the Committee are :

- (i) To take stock of the present IT scenario in the State.
- (ii) To evaluate the existing policy initiative and IT Promotional activity.
- (iii) To suggest measures to augment infrastructure facilities for attracting IT investments.
- (iv) To suggest appropriate action plan for sustained growth of IT Sector in the State.
- (v) The Committee shall meet periodically to deliberate upon the issues and irritants that are hampering the growth of IT sector in the State of Andhra Pradesh and suggest the possible courses of action to effectively pursue the attainment of objectives enunciated in the Information & Communications Technology (ICT) Policy of the Government.

Proposed Constitution of the US Advisory Committee:

In this regard, the IT&C Department will identify suitable members / Professional of AP Domicile or other forms of bond with the state drawn from IT/ITES/ Animation/ Electronic Hardware Sector with high degree of professional credentials and appoint them as Chairman/Chairperson/Regional Directors/members of the Advisory Committee.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**SANJAY JAJU
SECRETARY TO GOVERNMENT**

To
The Director, STPI, Hyderabad
The Development Commissioner, VSEZ, Visakhapatnam.
The President, ITsAP, Hyderabad.
The President, ELIAP, Hyderabad.
The Regional Director, NASSCOM, Hyderabad.

Copy to:

The PS to Minister, IT&C, A.P.Secretariat, Hyderabad
The PS to Chief Secretary, A.P.Secretariat, Hyderabad
The PS to Prl.Secretary to CM, A.P.Secretariat, Hyderabad
S.F/S.C.

// FORWARDED : : BY ORDER //

SECTION OFFICER